

Entrepreneurship

"The problem with the French is that they don't have a word for 'entrepreneur.'"

Allegedly President George W. Bush explaining why the French are in economic trouble

Heroes (or Villains) of American Business

- “Great Industrialists” or “Robber Barons”
 - Cornelius Vanderbilt (1794-1877) – railroads, shipping
 - Leland Stanford (1824-1893) – railroads
 - Andrew Carnegie (1835-1919) – railroads, steel
 - Jay Gould (1836-1892) – railroads, finance
 - J. P. Morgan (1837-1913) – finance
 - John D. Rockefeller (1839-1937) – oil
 - James Buchanan Duke (1856-1925) – tobacco
 - Henry Ford (1863-1947) – automobile
- Ayn Rand:
 - the "greatest humanitarians and the greatest benefactors of mankind who had ever lived because they had brought the 'greatest good' and an impossible standard of living - impossible by all historical trends - to the country in which they functioned."
- Thorsten Veblen:
 - Predatory, barbarian, destructive

Current Heroes

- Bill Gates (1955-) Microsoft
- Jerry Yang (1968-) Yahoo
- Jeff Bezos (1964 -) Amazon.com
- Larry Page & Sergey Brin (Both 1973-) Google
- Steve Jobs (1955-) – Apple, iPod
- Sam Walton (1918-1992) – Walmart
- Howard Schultz (1952-) Starbucks



VISA



- A.P. Giannini (1870-1949)
 - Father of retail banking, founder of Bank of America

- Dee Hock (1929 -) Visa 
 - 1968 BankAmericard reinvented as VISA
 - Organizational innovation – an association of issuing banks (club)
 - Technological innovation – IT revolution: processing and authorization is computerized

Entrepreneur

- Joseph Schumpeter:
 - Entrepreneur is **innovator** who implements change within markets by carrying out of **new combinations**.
 - 1) new good or kind of a product
 - 2) new method of production or technology,
 - 3) opening of a new market,
 - 4) finding of a new source of supply of new materials or parts,
 - 5) new organization
- Frank Knight:
- Uncertainty vs. calculable risk
- Entrepreneur is economic actor able to **profit from uncertainty**

Patricia Thornton, The Sociology of Entrepreneurship

- Definition: Entrepreneurship is the creation of new organization
- Supply side
 - Individual qualities of entrepreneurs (education, economic resources etc.)
 - Ethnicity and cultural characteristics (Weber)
 - Network position (structural holes)
- Demand side
 - Generation of ventures by organizational hierarchies
 - Policy of nation-states
 - Activity of professions
 - Development of markets